THE
PERFORMETER®

A Financial Statement Analysis of
The City of Miami, Oklahoma
As of and for the year ended June 30, 2014

Crawford & Associates, P.C.

What is a Performeter®?

An analysis that takes governmental financial statements and converts them into useful and understandable measures of financial performance

Financial ratios and a copyrighted analysis methodology are used to arrive at an overall rating of 1-10

The overall reading is a barometer of the City's financial health and performance

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How to Use the Performeter®

Use the individual ratios to identify financial warning signs – the ratios are combined into three categories

- Financial position ratios – that measure financial health at year end
- Financial performance ratios - that measure changes in financial position from the prior year
- Financial capability ratios - that measure the ability to raise revenue or issue debt in the future, if needed

Use the overall rating as a collective benchmark of financial health and success of the City as a whole

Use the comparisons to prior years to monitor trends in financial indicators

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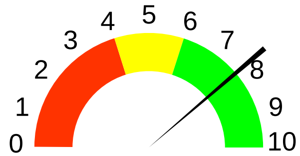
Limitations of the Performeter®

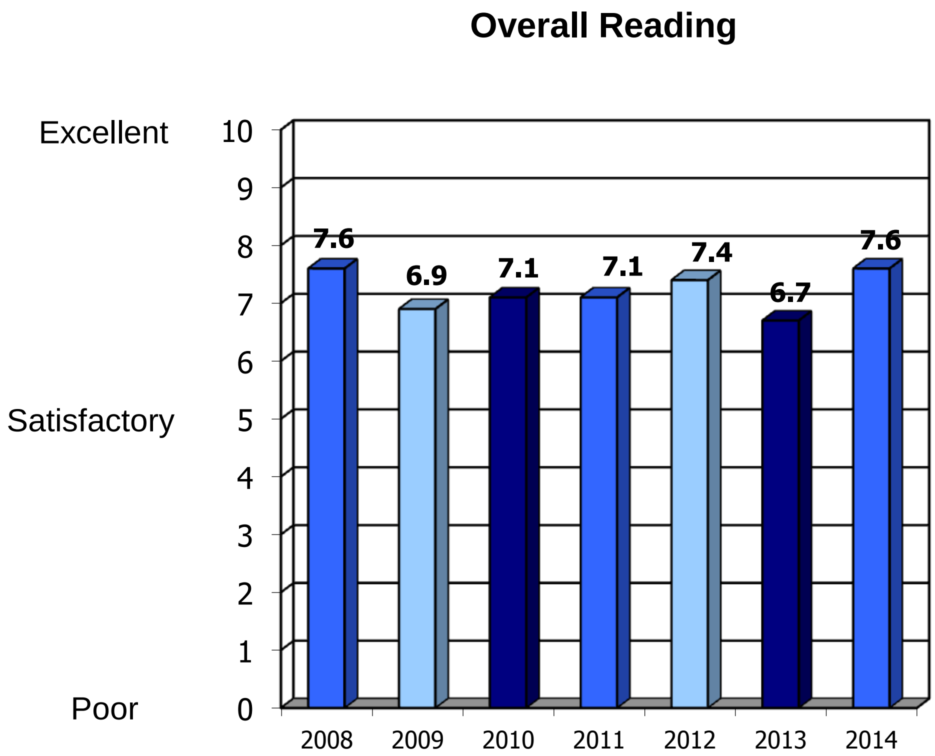
The Performeter® should not be used as the only source of financial information to evaluate financial health and performance

The analysis is an overall rating of the City as a whole and not of specific activities, funds or units

The Performeter® is based on Crawford & Associates' professional judgment and is limited as to its intended use



Performeter® Reading



For the 2014 fiscal year, the readings by ratio category were as follows:

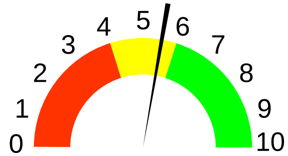
Financial Position	6.1
Financial Performance	8.5
Financial Capability	8.3

The strongest components of the ratings were the City's financial performance and capability over the past year. The City's financial position at June 30, 2014 also reflects above satisfactory ratings. The 2014 overall reading of **7.6** indicates the evaluator's opinion that Miami's overall financial health remains well above satisfactory, and is relatively consistent with the six prior years presented.

Performeter® Ratios

Financial Position Ratios

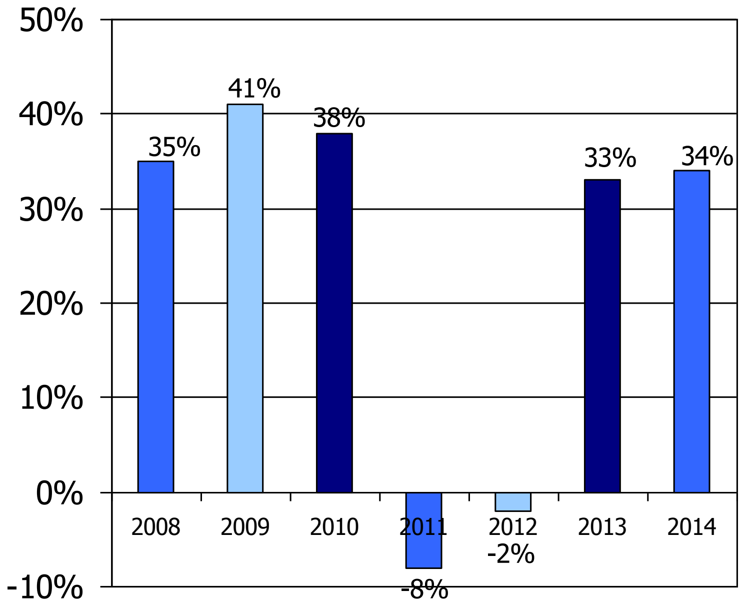
Unrestricted Net Position	How do our total rainy day funds look?
General Fund Budgetary Unassigned Fund Balance	How does our General Fund budgetary unassigned fund balance carryover position look?
Capital Asset Condition	How much life do we still have left in our capital assets?
Pension Plan Funding	Will our employees be happy with us when they retire?
Assets to Debt	Who really owns the City?
Current Ratio	Will our employees and vendors be pleased with our ability to pay them on time?
Quick Ratio	How is our short-term cash position?



Level of Unrestricted Net Position

How do our total rainy day funds look?

Unrestricted Net Position as a Percentage of Annual Revenues



The level of total unrestricted net position is an indication of the amount of unexpended and available resources the City has in all funds combined at a point in time to fund emergencies, shortfalls or other unexpected needs. In our model, 50% is considered excellent, while 30% is considered a desired minimum.

For the year ended June 30, 2014, the City's total unrestricted net position approximated $11.7 million or 34% of annual total revenues. The current year saw an increase from the previous period, and this level continues to be slightly above satisfactory in our model. Approximately $6 million of this $11.7 million is designated as "rainy day" funds in the Special Utility Authority (SUA).

2008	2009	2010	2011	2012	2013	2014
35%	41%	38%	-8%	-2%	33%	34%

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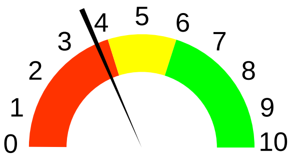
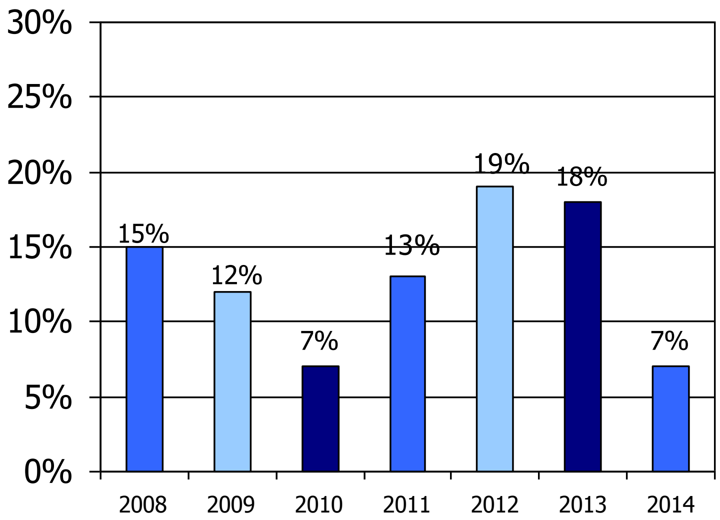


Level of General Fund Budgetary Unassigned Fund Balance

How does our General Fund budgetary carryover position look?

General Fund Budgetary Unassigned Fund Balance as a Percentage of Annual Revenues



The level of budgetary unassigned fund balance is an indication of the amount of unexpended, unencumbered and available resources the City has at a point in time to carryover into the next fiscal year to fund budgetary emergencies, shortfalls or other unexpected needs. In our model, 10% is considered a minimum responsible level, while 30% is considered desirable.

For the year ended June 30, 2014, the City's unassigned fund balance of the General Fund amounted to $.5 million or 7.2% of annual General Fund revenues. This is a decrease over the last period and is considered below satisfactory.

2008	2009	2010	2011	2012	2013	2014
15%	12%	7%	13%	19%	18%	7%

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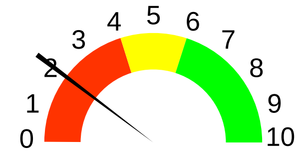
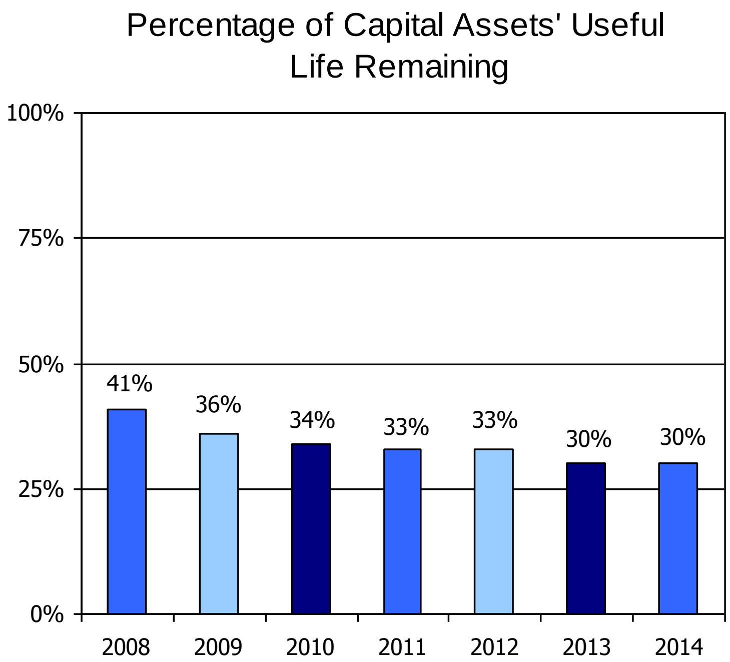


Capital Asset Condition

How much useful life do we have left in our capital assets?



The capital asset condition ratio compares depreciable capital assets cost to accumulated depreciation to determine the overall percentage of useful life remaining. A low percentage could indicate an upcoming need to replace a significant amount of capital assets.

At June 30, 2014, the City's depreciable capital assets amounted to $116 million while accumulated depreciation totaled $82 million. This indicates that, on average, the City's capital assets have less than one-third (30%) of their useful lives remaining. This is an below satisfactory financial indicator in our model and indicates the city is not replacing capital assets by the end of their useful lives.

2008	2009	2010	2011	2012	2013	2014
41%	36%	34%	33%	33%	30%	30%

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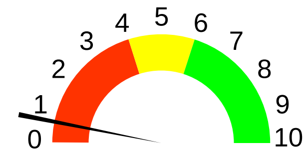
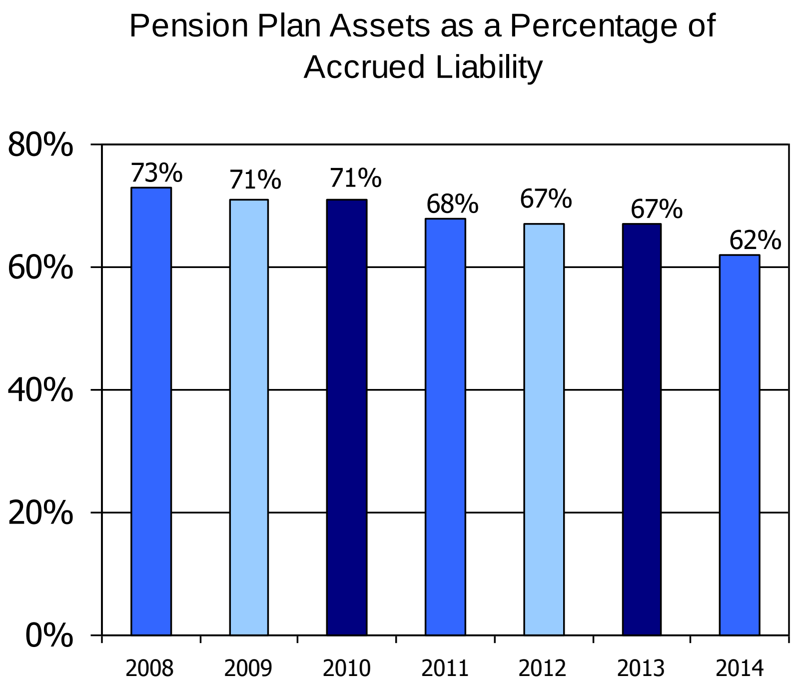


Pension Plan Funding Ratio

Will we be able to pay our employees when they retire?



The pension funding ratio compares the actuarial fair value of the pension plan's assets to the actuarial accrued liability for pension benefits. A percentage less than 100% indicates the plan is underfunded at the valuation date.

At June 30, 2014, the City's pension plan assets were 62% of the accrued pension benefit liability, indicating the plan was not fully funded, from an actuarial perspective, at the last valuation date. This ratio is lower than the prior period due to changes in actuarial assumptions and an early-retirement option, and is considered a less than satisfactory indicator.

2008	2009	2010	2011	2012	2013	2014
73%	71%	71%	68%	67%	67%	62%

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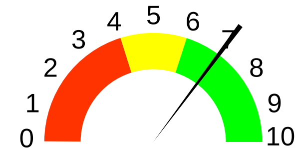
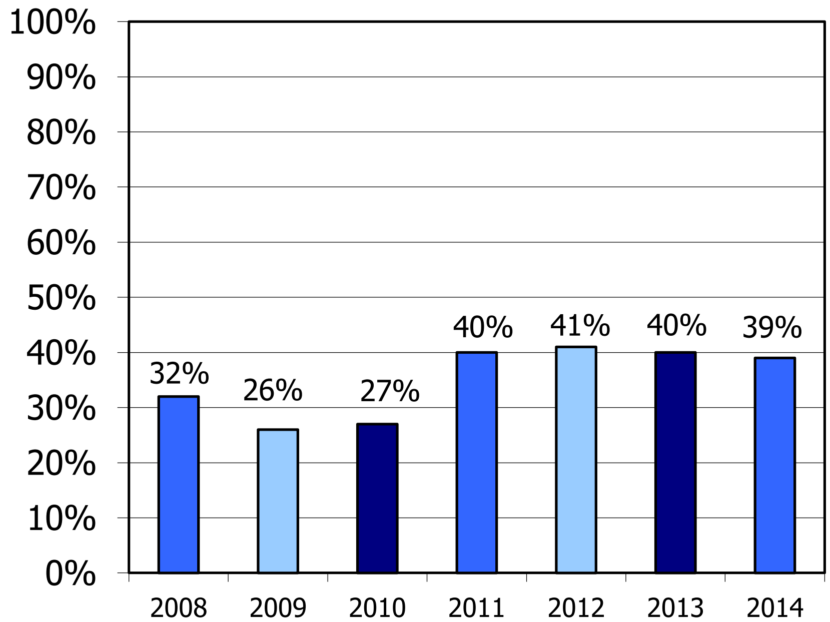


Assets to Debt

Who really owns the City?

Percentage of Equity in Assets



The assets to debt ratio measures the extent to which the City had funded its assets with debt. The higher the percentage, the more equity the City has in its assets.

At June 30, 2014, a little over one third (39%) of the City's $71 million of total assets were funded with debt or other obligations. This is considered an above satisfactory financial indicator and indicates that for each dollar of City assets owned, it owes 39 cents of that dollar to others. This ratio is slightly lower than the prior year.

2008	2009	2010	2011	2012	2013	2014
32%	26%	27%	40%	41%	40%	39%

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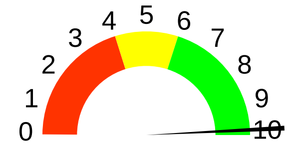
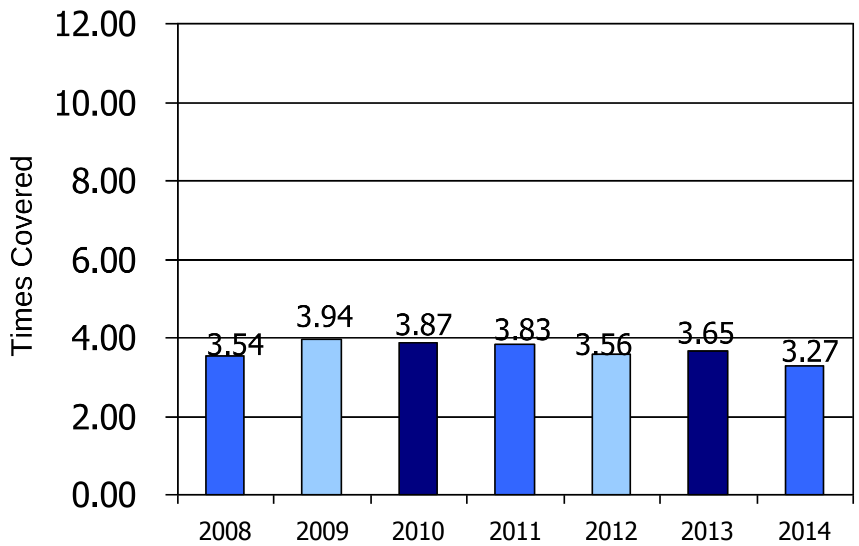


Current Ratio

Will our employees and vendors be pleased with our ability to pay them on time?

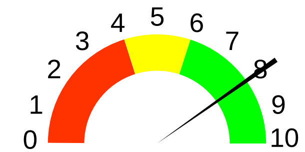
Current Assets Compared to Current Liabilities



The current ratio is one measure of the City's ability to pay its short-term obligations. The current ratio compares total current assets and liabilities. A current ratio of 2.00 to 1 indicates a satisfactory current liquidity and an ability to meet the short-term obligations.

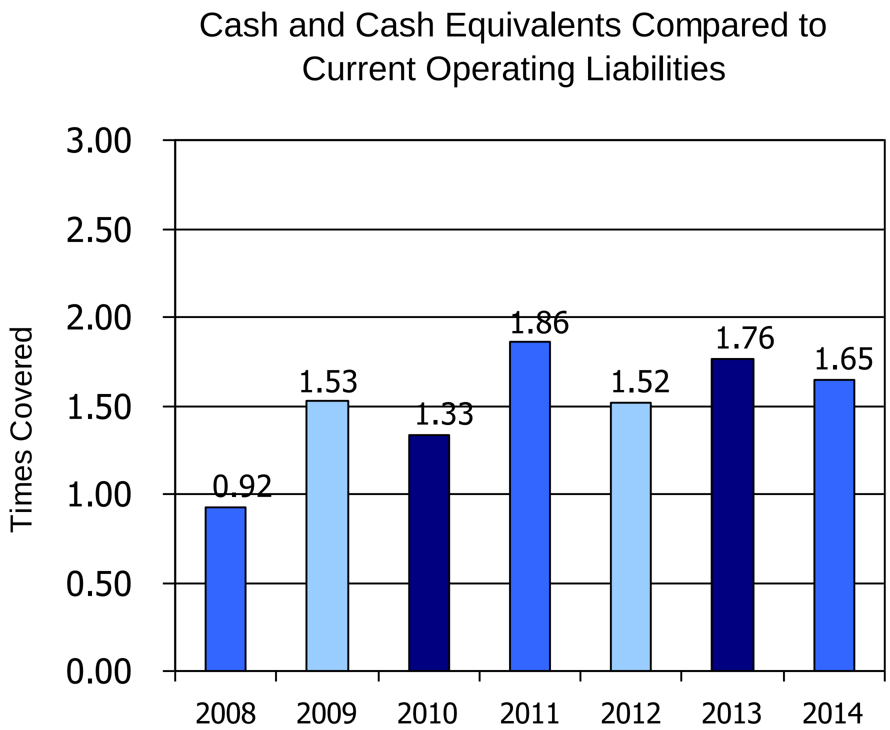
At June 30, 2014 the City had a government-wide ratio of current assets to current liabilities of 3.27 to 1. This indicates that the City had nearly three and one-third times the amount of current assets needed to pay current liabilities. This is considered an excellent indicator of liquidity, although a slight decrease when compared to the ratio of the prior year.

2008	2009	2010	2011	2012	2013	2014
3.54	3.94	3.87	3.83	3.56	3.65	3.27



Quick Ratio

How is our short-term cash position?



The quick ratio is another, more conservative, measure of the City's ability to pay its short-term operating obligations. The quick ratio compares total cash and short-term investments to current liabilities. A quick ratio of 1.00 to 1 indicates adequate current liquidity and an ability to meet the short-term obligations with cash.

At June 30, 2014, the City had a government-wide ratio of cash and cash equivalents to current operating liabilities of 1.65 to 1. This indicates that the City had nearly one and two-thirds times the minimum amount of cash and cash equivalents needed to pay short-term operating obligations at year end. This is considered a favorable ratio in our model and is a slight decrease from the prior year.

2008	2009	2010	2011	2012	2013	2014
.92	1.53	1.33	1.86	1.52	1.76	1.65

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Financial Position Ratios

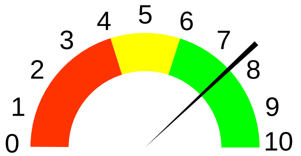
Summary and Comparison to Prior Years

Ratio	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Unrestricted Net Position	35%	41%	38%	-8%	-2%	33%	34%
General Fund Budgetary Unassigned Fund Balance	15%	12%	7%	13%	19%	18%	7.2%
Capital Asset Condition	41%	36%	34%	33%	33%	30%	30%
Pension Plan Funding	73%	71%	71%	68%	67%	67%	62%
Assets to Debt	32%	26%	27%	40%	41%	40%	39%
Current Ratio	3.54	3.94	3.87	3.83	3.56	3.65	3.27
Quick Ratio	.92	1.53	1.33	1.86	1.52	1.76	1.65
Financial Position Performeter Score	**6.2**	**7.0**	**6.4**	**5.4**	**5.4**	**6.7**	**6.1**

Performeter® Ratios

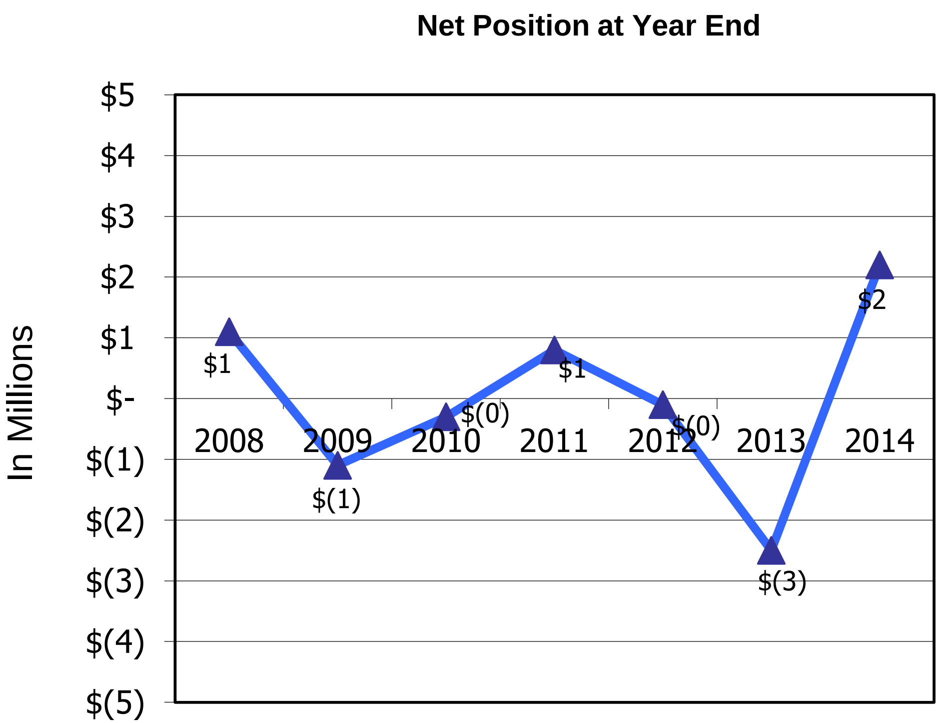
Financial Performance Ratios

Change in Net Position	Did our overall financial condition improve, decline, or remain steady from the past year?
Interperiod Equity	Who paid for the costs of current year services – current, past, or future tax and rate payers?
BTA Self-Sufficiency	Did current year business-type activities, such as utilities, airport, and golf activities, pay for themselves?
Debt Service Coverage	Were our revenue bond investors pleased with our ability to pay them on time?
Sales Tax Growth	What is the state of our local economy?



Change in Net Position

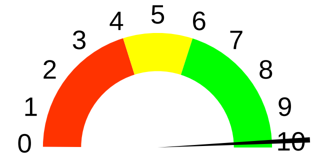
Did our overall financial condition improve, decline or remain steady from the past year?



Net position include all assets and deferred outflows, and all liabilities and deferred inflows of the City, except for fiduciary funds held for the benefit of others. It is measured as the difference between total assets and deferred outflows, including capital assets, and total liabilities and deferred inflows, including long-term debt. Net position increases as a result of earning more revenue than expenses incurred in the fiscal year.

For the year ended June 30, 2014, total net position increased by $2.2 million, or 5.4% from the prior year. Governmental activities net position decreased by $197,595, while business-type activities net position increased by $2,430,641.

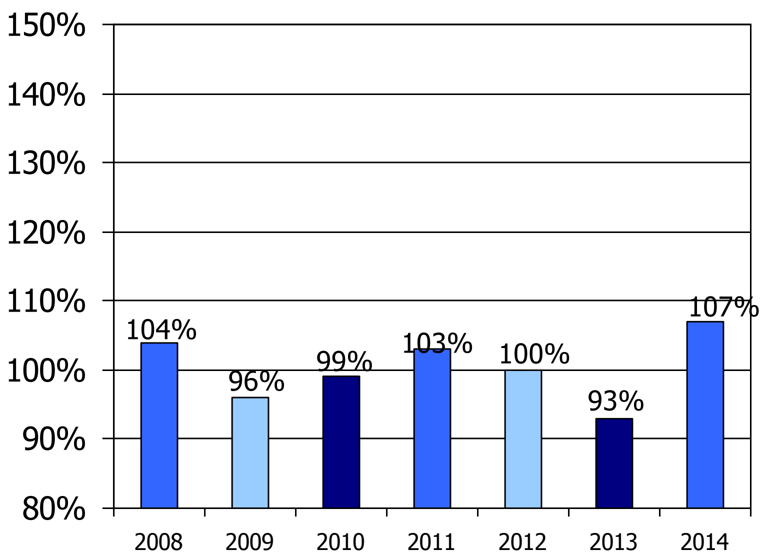
2008	2009	2010	2011	2012	2013	2014
+3.2%	-2.5%	-0.7%	+1.9%	-0.3%	-5.7%	+5.4%



Interperiod Equity

Who paid for the costs of current year services – current, past or future tax and rate payers?

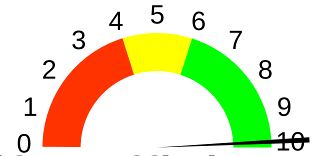
Current Year Revenues as a Percentage of Current Year Costs



Interperiod equity is achieved when the cost of current services are paid by current year tax and rate payers. When current year costs are subsidized by prior year resources carried over or from debt proceeds, it can be said that interperiod equity was not achieved, and either past or future tax and rate payers helped fund the costs of current year services.

For the year ended June 30, 2014, the City's total costs were fully funded by current year tax and rate payers, with current year revenues, excluding fund balance carryovers, generating a level of 107% of current year costs. This is an increase from the prior year.

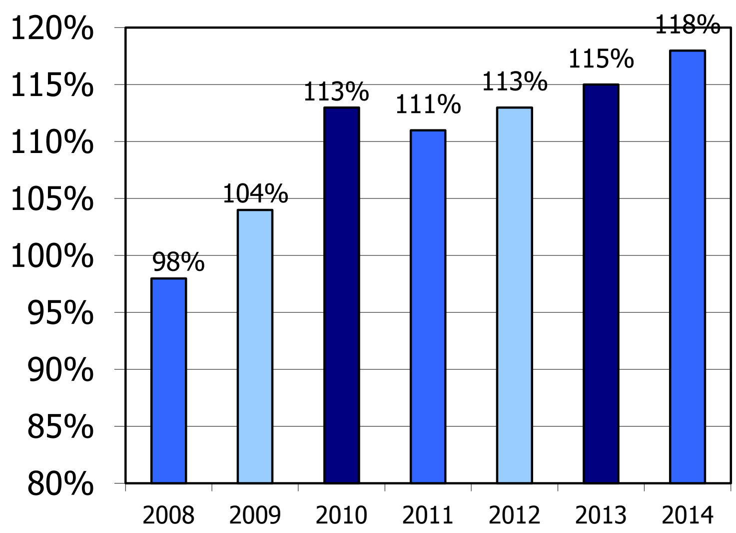
2008	2009	2010	2011	2012	2013	2014
104%	96%	99%	103%	100%	93%	107%



BTA Self-Sufficiency

___________ Did current year business-type activities, such as utilities, pay for themselves?

Percentage of BTA Expenses Covered
By BTA Revenues



The self-sufficiency ratio indicates the level at which business-type activities (utilities) covered their current costs with current year revenues, without having to rely on subsidies or use of prior year reserves.

For the year ended June 30, 2014, the City's business-type activities were 118% self-sufficient in total. This indicates that all of the current year costs were funded by current year revenues in addition to generating some additional resources. This is a slight increase from the ratio calculated in the prior year.

2008	2009	2010	2011	2012	2013	2014
98%	104%	113%	111%	113%	115%	118%

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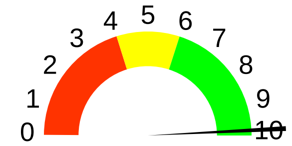
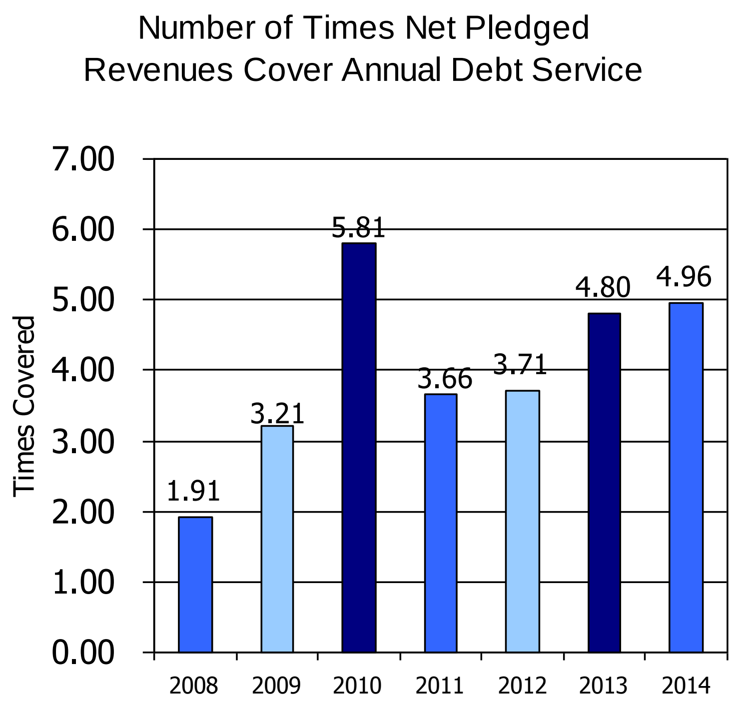


Debt Service Coverage

Were our revenue bond investors pleased with our ability to pay them on time?



The debt service coverage ratio compares the City's debt service requirements on revenue bonds to the net operating cash generated by the revenue streams pledged for payment. A debt service ratio of greater than 1.00 indicates a sufficient ability to make the debt service payments from net revenue from operations.

For the year ended June 30, 2014, the City experienced a favorable debt service coverage ratio of 4.96, an increase from the ratio in the prior year. This indicates the City generated nearly 5 times the amount of cash necessary to pay the debt service requirements on its revenue bonds and notes.

2008	2009	2010	2011	2012	2013	2014
1.91	3.21	5.81	3.66	3.71	4.80	4.96

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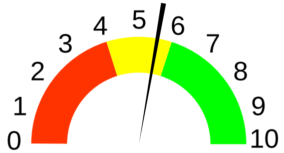
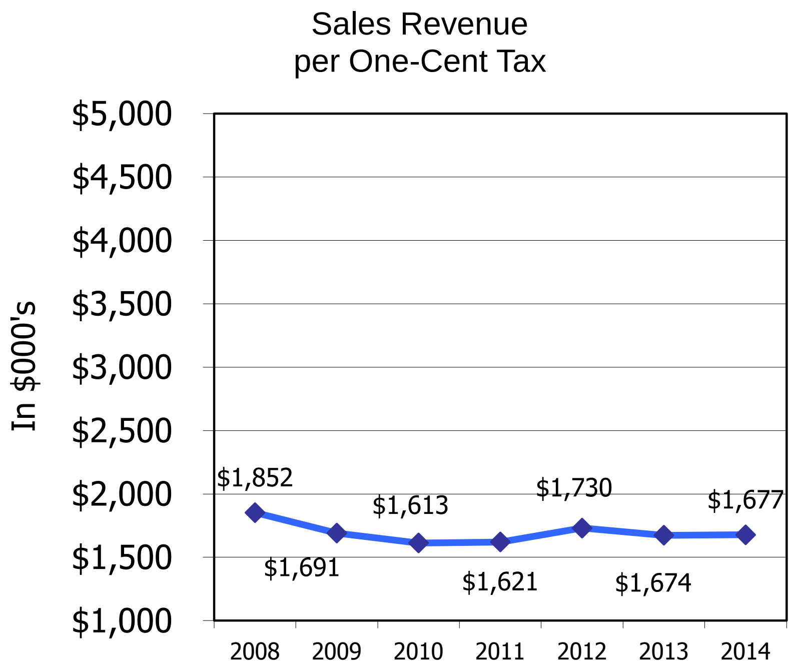


Sales Tax Growth

What is the state of our local economy?



Due to the inability of Oklahoma municipalities to levy a property tax for operations, the City is highly dependent on sales tax revenue to fund its general governmental activities.

Sales tax growth is a measure of the state of our local economy by comparing revenue collected to the prior year in terms of the change per one-cent tax.

For the year ended June 30, 2014, the City experienced an increase in sales tax collections in the amount of $13,040 or .2% from the prior year. The Sales Tax Rate of 3.65% was in effect for the entire year.

2008	2009	2010	2011	2012	2013	2014
+10.0%	-8.7%	-4.6%	+0.5%	+6.7%	-3.2%	+0.2%

Financial Performance Ratios

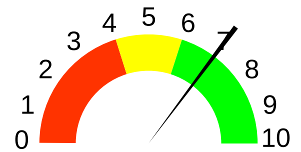
Summary and Comparison to Prior Years

Ratio	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Change in Net Position	3.2%	-2.5%	-0.7%	1.9%	-0.3%	-5.7%	5.4%
Interperiod Equity	104%	96%	99%	103%	100%	93%	107%
BTA Self Sufficiency	98%	104%	113%	111%	113%	115%	118%
Debt Service Coverage	1.91	3.21	5.81	3.66	3.71	4.80	4.96
Sales Tax Growth	10.0%	-8.7%	-4.6%	0.5%	6.7%	-3.2%	0.2%
Financial Performance Performeter Score	**8.5**	**5.9**	**6.9**	**8.2**	**8.9**	**5.5**	**8.5**

Performeter® Ratios

Financial Capability Ratios

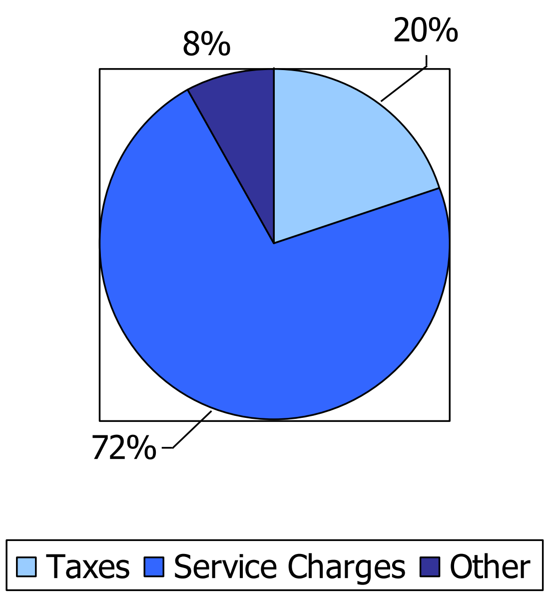
Revenue Dispersion	How much of our revenue is beyond our direct control?
Debt Service Load	How heavily is our budget loaded with payments to retire long-term debt?
Bonded Debt Per Capita	What is the debt burden on our property tax payers?
Legal Debt Limit Remaining	Will we be legally able to issue more long-term debt if needed?
Property Taxes Per Capita	Will our citizens be willing to approve property tax increases if needed?
Local Sales Tax Rate	Will our citizens be willing to approve sales tax increases if needed?



Revenue Dispersion

How heavily are we relying on revenue sources beyond our direct control?

2014 Revenue Percentages by Source



The percentage dispersion of revenue by source indicates how dependent the City is on certain types of revenue. The more dependent the City is on revenue sources beyond its direct control, such as taxes requiring voter approval or revenues from other governments such as grants, the less favorable the dispersion.

For the year ended June 30, 2014, the City had direct control over 72% (service charges) of its revenues. This ratio indicates the City has limited exposure, as do most cities, to financial difficulties due to reliance (28%) on taxes that require voter approval and on grants, contributions and other revenue.

2008	2009	2010	2011	2012	2013	2014
63%	71%	73%	72%	74%	76%	72%

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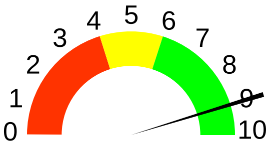
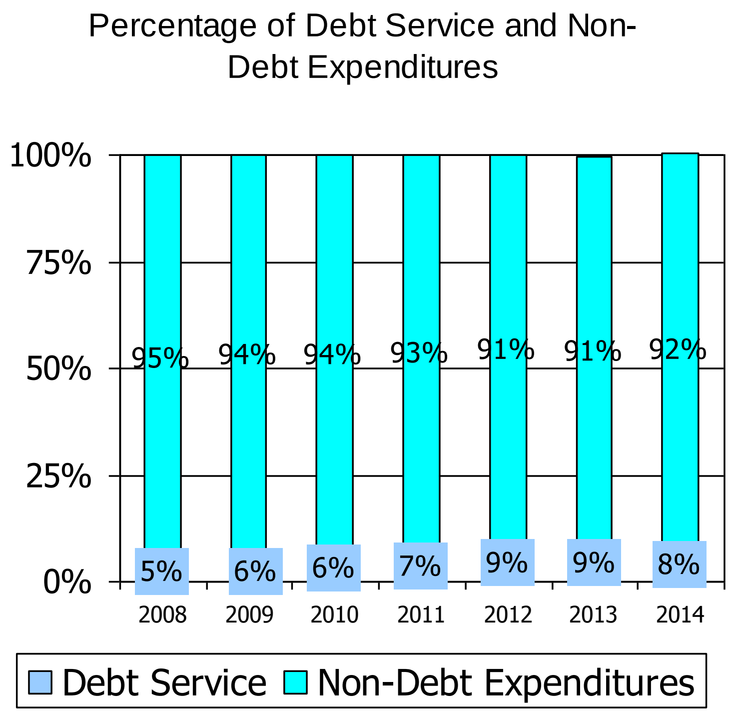


Debt Service Load

How much of our annual budget is loaded with disbursements to pay off long-term debt?



The debt service load ratio measures the extent to which the City's non-capital expenditures City-wide were comprised of debt service payments on long-term debt.

For the year ended June 30, 2014, the City's total non-capital expenditures amounted to $31 million of which $2.5 million (or 8%) were payments for principal and interest on long-term debt. In our model, this is a favorable financial indicator and indicates that for every dollar the City spent on non-capital items only 8 cents of that dollar was used for debt service.

2008	2009	2010	2011	2012	2013	2014
5%	6%	6%	7%	9%	9%	8%

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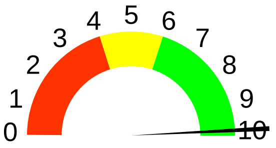
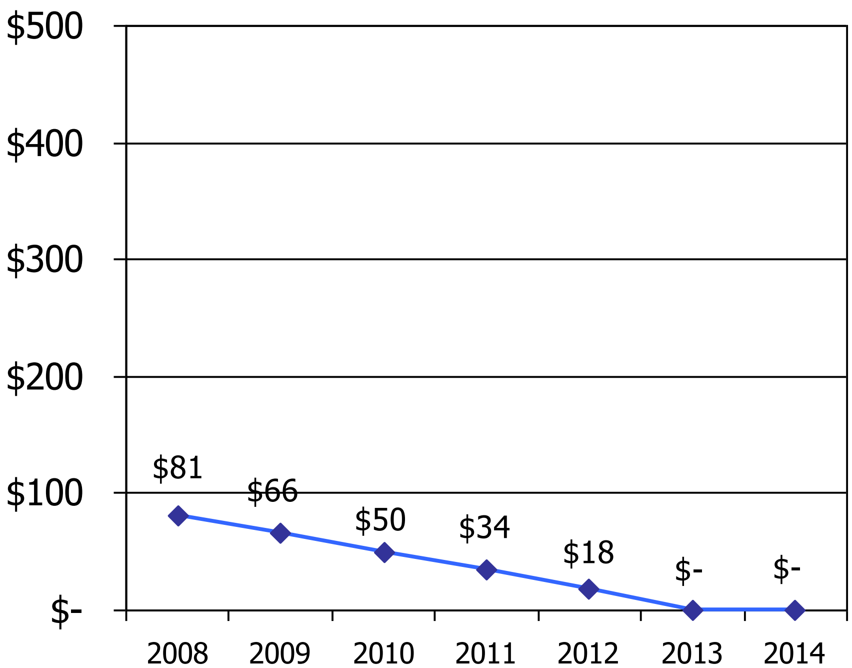


Bonded Debt Per Capita

What is the debt burden on our property tax payers?

General Bonded Debt Per Capita



The financial ratio of general bonded debt per capita is an indication of the City's debt burden on its citizens and other taxpayers related to general obligation debt payable from property taxes. The ratio does not consider debt payable from enterprise activities or alternate revenues.

For the year ended June 30, 2014, the City continued to have no general obligation bonded debt outstanding. Therefore, it has no general bonded debt burden on its citizens and taxpayers.

2008	2009	2010	2011	2012	2013	2014
$81	$66	$50	$34	$18	$0	$0

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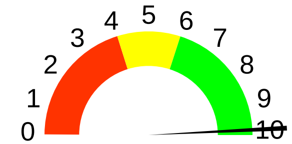
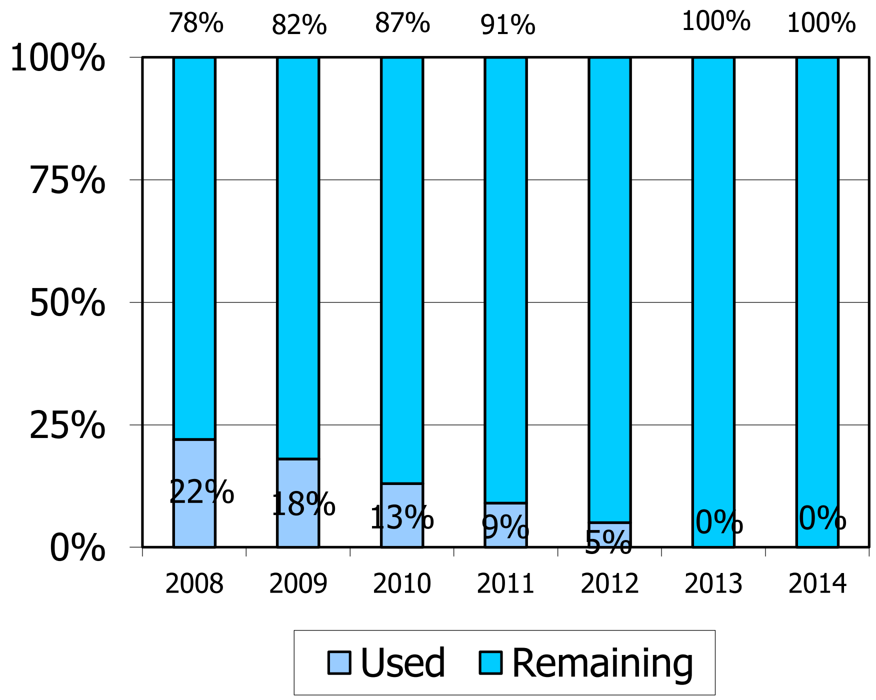


Legal Debt Limit Remaining

Will we be legally able to issue more long-term debt, if needed?

Percentage of Legal Debt Limit Used Versus Remaining



Oklahoma law limits certain types of general obligation debt to no more than 10% of the City's net assessed valuation of taxable property, which approximated $854 million at June 30, 2014.

For the year ended June 30, 2014, the City continued to have no general obligation debt applicable to this legal debt limit. This means that at June 30, 2014, the City had $4.3 million or 100% of its general bonded debt legal limit remaining.

2008	2009	2010	2011	2012	2013	2014
78%	82%	87%	91%	95%	100%	100%

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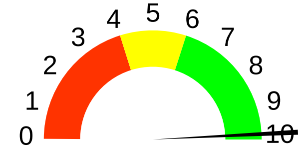
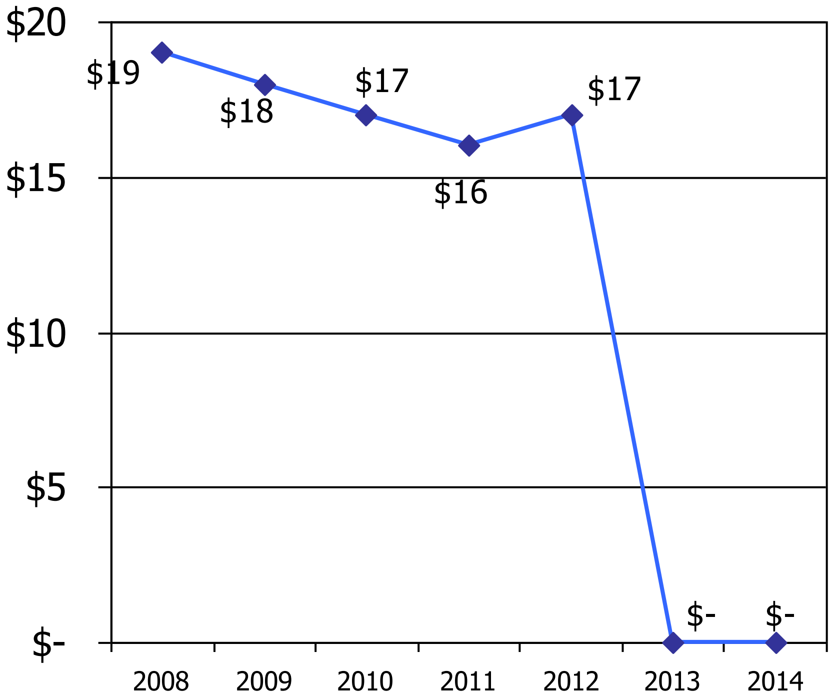


Property Taxes Per Capita

Will our citizens be willing to approve property tax increases, if needed?

Total Property Taxes Per Capita



The financial ratio of property taxes per capita is an indication of the City's property tax burden on its citizens and other taxpayers. Constitutionally, Oklahoma municipalities may only levy a property tax to retire general obligation bonded debt and judgments.

For the year ended June 30, 2014, the City had no general obligation bond debt service or judgments outstanding, and therefore, had no property tax levied in 2014. This is an excellent indicator in our model.

2008	2009	2010	2011	2012	2013	2014
$19	$18	$17	$16	$17	$0	$0

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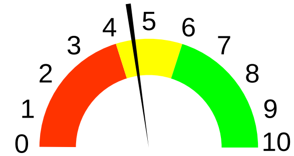
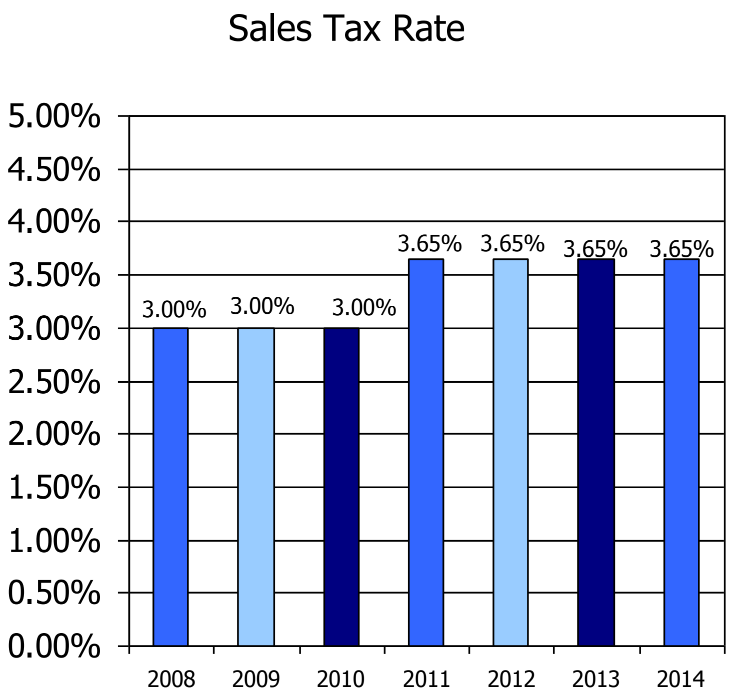


Local Sales Tax Rate

Will our citizens be willing to approve sales tax increases, if needed?



For Oklahoma municipalities, sales tax is the primary source of funding for general government operations. Sales tax rates cannot be increased without voter approval. In our model, a 2% tax rate is considered excellent from the financing margin perspective, while 5% rate is considered a high rate and therefore weak in terms of increase ability margin.

For the year ended June 30, 2014, the City's sales tax rate in effect was 3.65%.

	2008	2009	2010	2011	2012	2013	2014
Rate	3.00%	3.00%	3.00%	3.65%	3.65%	3.65%	3.65%
Taxes in 000s	$5.56	$5.07	$4.84	$5.69	$6.31	$6.11	$6.12

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Financial Capability Ratios

Summary and Comparison to Prior Years

Ratio	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Revenue Dispersion	63%	71%	73%	72%	74%	72%	76%
Debt Service Load	5.0%	5.8%	5.9%	7.2%	8.8%	8.7%	8.3%
General Bonded Debt per Capita	$81	$66	$50	$34	$18	$0	$0
Remaining Legal Debt Margin	78%	82%	87%	91%	95%	100%	100%
Property Taxes per Capita	$19	$18	$17	$16	$17	$0	$0
Sales Tax Rate	3.00%	3.00%	3.00%	3.65%	3.65%	3.65%	3.65%
Financial Capability Performeter Score	**8.2**	**8.3**	**8.4**	**8.0**	**7.9**	**8.3**	**8.3**

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Thank You

We would like to commend and thank the City of Miami management, its governing body and audit committee for allowing us to present this financial analysis. We hope it continues to serve as a useful and understandable compliment to your annual financial report.

Visit our website at crawfordcpas.com for other useful tools for state and local governments.

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